

Name _____

Date _____

Period _____

Price Planning
Chapter 25
Ch 25 Sec 1 – Price Planning

What is Price?

Price is the _____ (or its equivalent) placed on a good or service.

Forms of Price

- _____ you pay for service
- _____ you pay for food, clothes, etc.
- _____ on a loan
- _____ for a membership
- _____ for education
- Wages, _____ paid to workers

Importance of Price

- Establishes _____
- Maintains _____
- Determines _____

An increase in the price of an item may not produce an increase in sales revenue. Why is this true? _____

Goals of Pricing

- Gaining _____ – a firm's % of total sales volume in a given market
- _____ the Competition

Return on _____

- Calculation to determine relative _____
- The _____ to calculate it is Profit / Investment
- Profit = _____

Return on Investment

- Your company sells storage bins for _____ each.
- Your cost to make and market the bins is _____
- _____
- Your rate of return on investment is _____